

Washington State Auditor's Office

Audit Report

Pierce County Conservation District

Audit Period
January 1, 1996 through December 31, 1999

Report No. 62047

Issue Date
March 16, 2001



Washington _____
State Auditor
_____ Brian Sonntag

Audit Summary

Pierce County Conservation District January 1, 1996 through December 31, 1999

ABOUT THE AUDIT

This report contains the results of our four-year independent audit of the Pierce County Conservation District for the period January 1, 1996, through December 31, 1999.

We performed audit procedures to determine whether the District complied with state laws and regulations and its own policies and procedures. We also audited the financial statements and evaluated the internal controls established by District management. Our work focused on specific areas that had potential for abuse or misuse of public resources.

RESULTS

The District complied with state laws and regulations and its own policies. The District had sufficient internal controls in place to safeguard assets. We also found the District's financial statements were complete and accurate.

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Description of the District

Pierce County Conservation District January 1, 1996 through December 31, 1999

ABOUT THE DISTRICT

The Pierce County Conservation District voluntarily assists landowners in improving their land. The District employs 12 people and has revenues averaging approximately \$495,326 a year. A five-member Board of Supervisors, three elected and two appointed, each serving a three-year term, governs the District.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Supervisors:

Chair

Vice-Chair

Paul Nee

August Soler

Larry Dacca

APPOINTED OFFICIALS

Board of Supervisors:

Secretary-Treasurer

District Auditor

Lloyd Freudenstein

Ted Bottiger

Linda Arcuri

ADDRESS

District

Suite 106

1011 East Main

Puyallup, WA 98372

(253) 845-9770

Audit Areas Examined

Pierce County Conservation District January 1, 1996 through December 31, 1999

In keeping with general auditing practices, we do not examine every portion of the Pierce County Conservation District's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the District were examined during this audit period:

LEGAL COMPLIANCE

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Open Public Meetings Act
- Insurance coverage
- Ethics/conflict of interest laws
- Allowability of expenditures

INTERNAL CONTROL

We evaluated the following areas of the District's internal control structure:

- Cash receipting
- Payroll
- Cash disbursements
- Purchase of goods and services

FINANCIAL AREAS

In addition to the financial-related work listed in other categories, we audited the following areas:

- State and local revenues
- Overall presentation of the financial statements
- Cash
- Investments

Audit Overview

Pierce County Conservation District January 1, 1996 through December 31, 1999

AUDIT HISTORY

The last audit of Pierce County Conservation District was for a three-year period from 1993 through 1995. There were no findings during that audit period.

The District has been very receptive and responsive to our recommendations. Management appears committed to strong internal controls and compliance with laws and regulations.

CONCLUSIONS

The District complied with state laws and regulations and its own policies. Grant accountability was a major focus of our audit. We found adequate controls were in place to ensure that grants were being accounted for properly. We found the District's financial statements appeared accurate and complete. We also communicated to management some recommendations to help improve compliance and internal controls related to the Open Public Meetings Act, safeguarding of assets and documenting disbursements.

We appreciate the District's sincere interest in our audit results and recommendations. We also thank District officials and staff for their assistance and cooperation during the audit.

Independent Auditor's Report on Compliance with State Laws and Regulations

Pierce County Conservation District January 1, 1996 through December 31, 1999

Board of Supervisors
Pierce County Conservation District
Puyallup, Washington

We have audited the financial statements of the Pierce County Conservation District, Pierce County, Washington, as of and for the years ended December 31, 1999, 1998, 1997 and 1996, and have issued our report thereon dated December 19, 2000.

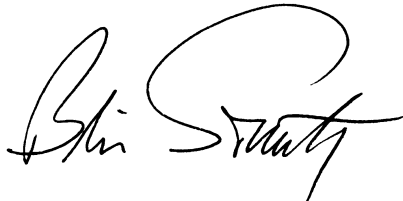
We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the District complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the District's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the District and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the District complied in all material respects with the applicable laws and regulations referred to in the preceding paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those provisions.

However, we noted certain matters involving noncompliance not significant enough to report as findings that we have reported to the management of the District in a separate letter dated February 6, 2001.

This report is intended for the information of management and the Board of Supervisors and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



BRIAN SONNTAG, CGFM
STATE AUDITOR

December 19, 2000

Independent Auditors Report on Financial Statements

Pierce County Conservation District January 1, 1996 through December 31, 1999

Board of Supervisors
Pierce County Conservation District
Puyallup, Washington

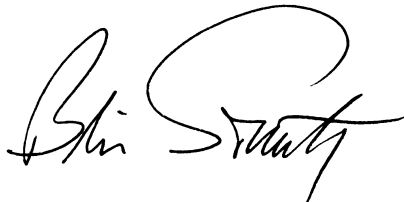
We have audited the accompanying financial statements of the Pierce County Conservation District, Pierce County, Washington, for the years ended December 31, 1999, 1998, 1997 and 1996. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the District prepares its financial statements on the cash basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the recognized revenues and expenditures of the funds of the Pierce County Conservation District for the years ended December 31, 1999, 1998, 1997 and 1996 on the cash basis of accounting described in Note 1.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of Expenditures of Federal Awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The accompanying Schedules of State and Local Financial Assistance are also presented for purposes of additional analysis. These schedules are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.



BRIAN SONNTAG, CGFM
STATE AUDITOR

December 19, 2000

Financial Statements

Pierce County Conservation District January 1, 1996 through December 31, 1999

FINANCIAL STATEMENTS

Resources and Uses Arising from Cash Transactions – 1999
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Resources and Uses Arising from Cash Transactions – 1997
Resources and Uses Arising from Cash Transactions – 1996
Notes to the Financial Statements – 1999, 1998, 1997 and 1996

ADDITIONAL INFORMATION

Schedule of State and Local Financial Assistance – 1999
Schedule of State and Local Financial Assistance – 1998
Schedule of State and Local Financial Assistance – 1997
Schedule of State and Local Financial Assistance – 1996
Schedule of Expenditures of Federal Awards – 1999
Schedule of Expenditures of Federal Awards – 1998
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